

December 13, 2011

A public meeting on the 2012 budget and tax levy and a work session of the City Council was held on the above date. Mayor Simonson called the meeting to order at 6:30 p.m. The following were present: Council members Connie Amos, Chris Ness, Jim Schneider, Sally Swanson and Mayor Randall Simonson. Staff present: City Administrator Anne Hurlburt, City Attorney Dave Hebert, City Engineer Ryan Goodman, City Planner Sherri Buss, Treasurer Colleen Firkus and Deputy Clerk Brenda Eklund.

APPROVAL OF THE AGENDA

Mayor Simonson noted an addition to the agenda: 5.b) Dog impoundment waiver. **Ness, seconded by Schneider, moved to approve the agenda as amended. The motion carried 5-0.**

PUBLIC MEETING ON 2012 BUDGET AND TAX LEVY

City Administrator Anne Hurlburt presented an overview of the draft 2012 budget. The budget was developed through Council direction during work sessions and meetings beginning in August and up through the last discussion at the November 15 meeting.

Proposed spending in 2012 is projected to be \$2,503,422. Revenues to match the spending are primarily collected from property taxes, at a levy increase of 2.06% over the previous year. Property owners received proposed tax statements in November with a revised calculation of property values. In 2011 the Legislature replaced the Homestead Market Value Credit with a new Homestead Market Value Exclusion, beginning with property taxes payable in 2012. This resulted in a reduction of the city's tax base of 4.16% and an increased tax rate. The city's share is approximately a third of a property tax bill. Hurlburt concluded the presentation with a recommendation that the council certify its final 2012 tax levy by the December 28 deadline.

Mayor Simonson opened the public meeting for comments. No public comments or questions were given.

Ness, seconded by Swanson, moved to set the date of Tuesday, December 20, 2011 at 7:00 p.m. as the final budget and levy adoption hearing. The motion carried 5-0.

District Representative Bob Dettmer was in attendance and offered further explanation of the exclusion program. The reduction in taxable property values shifts the burden to other types (businesses and agricultural property) to pay a larger share of taxes. Rep. Dettmer stated that 2012 is seen as a transition year to educate taxpayers on the changes and foresees improvements in the program in years ahead.

PROPOSAL FOR RENTAL OF COMMUNITY CENTER KITCHEN, SAM'S SALSA AND JAMS LLC

At the November 15 meeting, Samantha Keeney approached the council with a request that the rental policy for Community Center kitchen be revised to allow for an hourly rental. Ms. Keeney would like to use the commercial kitchen for the manufacture of her salsa and jam products.

Treasurer Colleen Firkus investigated the leasing of other commercial kitchens and presented a report for the council's consideration. The Department of Agriculture may require additional licensure of the leasee, depending on where the product is sold and the amount of annual sales. Firkus noted the difficulty of on-site storage of the finished product and recommended that Keeney clarify storage requirements with the Department of Agriculture. Firkus provided a sample contract based on her research of other commercial kitchen policies. A rate of \$12.00 to \$15.00 per hour was recommended, in addition to a cleaning and damage deposit.

Ms. Keeney was present at the meeting and participated in the council's discussion. Mayor Simonson stated that he supports this proposal, but a solution for the lack of storage space needs to be resolved. Ms. Keeney will investigate storage requirements and stated that she could find a way to provide a portable storage case for her product, estimated to be up to a hundred jars at a time. Ms. Keeney also stated that she would need two days a week to prepare her salsa and jams and would be flexible to work around Community Center events.

Council member Swanson agreed that a \$12 per hour rate would be reasonable. Mayor Simonson added that a non-resident rate of \$18 per hour be established.

Ness, seconded by Amos, moved to direct staff to prepare a rental agreement for the Community Center kitchen which would allow for a rate of \$12 per hour for residents and \$18 per hour for non-residents. The contract must contain language on required licensing, liability, renter responsibilities and damage deposits. The motion carried 5-0.

DOG IMPOUNDMENT WAIVER

Mayor Simonson received a request from residents Brad Spencer and Rachel Klein to waive the impound fee for their two dogs which were transported to the Hillcrest Animal Shelter on December 11, due to a family hardship. Mayor Simonson denied the request and explained his conversation with Animal Control Officer Sherrill Reid. This is the third incident of dogs at large that Reid has responded to since July 2010 for Spencer and Klein. Reid was told that the St. Francis Animal Shelter will pay the impound fees and care for the two dogs if the owners do not take care of the situation.

Council member Ness agreed that the fee should not be waived, especially as this is the third incident. It must be the responsibility of the dog owners, and it appears that an alternate solution for the dogs is available.

City Attorney Hebert advised that the owners received a break on the previous dog ordinance violations when misdemeanor charges were not pursued.

It was consensus of the council to deny the request to waive the dog impound fees for Spencer and Klein.

VARIANCE FROM THE MINIMUM LOT SIZE TO ALLOW CONSTRUCTION OF A SINGLE FAMILY DWELLING, 13350 188TH STREET NORTH. (CONTINUED FROM NOVEMBER 15, 2011).

Jim and Sandi Continenza have requested a variance from the minimum lot size to construct a home on two lots they own at 13350 188th Street, within the Shoreland Overlay of Big Marine Lake. They have requested a new connection to the Anderson/Erickson 201 community septic system, and it was determined that the adjacent lot would also need to be connected.

On November 15, the Council postponed action until additional information on the capacity of the Anderson/Erickson sewage system could be gathered. Staff undertook an extensive search of records to determine the capacity and potential demand for future connections. A report on the findings was presented.

City Planner Sherri Buss recommended that no new connections to the collector system be permitted based on inadequate treatment capacity. Buss advised that the variance to allow construction of the new home be approved with the requirement of an on-site septic system. The findings in the report could be included in a resolution for the council to consider at their December 20 meeting.

Council discussed the possible expansion of the drainfield. Administrator Hurlburt referenced a 2002 Wastewater System Management Plan prepared by Bonestroo. The cost for system expansion was estimated at \$170,000. The Town Board at the time concluded the expansion was not feasible. Stantec (formerly Bonestroo) could be given direction to proceed with an update Management Plan to determine current options and costs.

Council member Swanson stated that it should be a duty of the city to provide sewer and water connections. Administrator Hurlburt replied that connections were added during a street improvement project, but no treatment capacity expansion was undertaken for these new connections. There are other options for the property owners such as purchasing vacant land across the street for a drainfield. There are concerns for adding additional connections to a system that is very close to capacity.

Planner Buss agreed that as flow rates approach the maximum during peak times, it affects the longevity of the system for all users

Engineer Goodman confirmed that the system was designed to handle 6700 gallons per day and has exceeded this rate at certain peak times. This goes beyond the capacity of what the system can handle.

Joe Christensen, attorney for the Continenzas, approached the council with a request that a modest expansion of the drainfield be undertaken that could allow a limited number of connections. He reasoned that on-site septic would require a mound system on the lakeside of the home, an unreasonable option when one considers protection of the lake. Mr. Christenson explained that in his discussion with Pete Ganzel, Washington County Department of Public

Health, it appeared that a fourth cell could be added to the existing drainfield for rotation with the other three cells.

City Engineer Goodman was asked about studying the feasibility and cost of adding on to the drainfield at the existing site. He estimated that a report could be available by February. Jim Continenza agreed to extend the review period for the variance beyond February 11, 2012 (the statutory deadline) to allow for additional information on a possible septic connection.

Following additional discussion, Goodman was asked to prepare a scope of the study for review at the December 20 council meeting.

2012 PAY RATE ADJUSTMENTS

The 2012 budget includes a 2% pay rate adjustment for city employees. The council received information at the September budget meeting that the pay increase would be an approximate \$5,475 increase to the budget. At the November 15 meeting, Council member Swanson requested further discussion on this issue.

Council member Swanson stated that she had researched surrounding cities and reported that no pay increases are proposed for 2012. Swanson noted that the city has many maintenance needs and it is not feasible to issue a pay increase to all employees. Swanson recommended selected pay increases. The Maintenance Workers and City Administrator would be granted a 1% pay increase and remaining staff a 2% pay adjustment. Swanson explained that compared to the cities of Columbus and Rockford, the Administrator pay is above range.

Council member Amos stated that her intention in recommending pay increases during the budget work sessions was to be applied to office staff only. The Maintenance Workers receive step increases every few years and should not be included in the proposed pay increase.

Council member Schneider agreed that there should be no pay increases for Maintenance Workers as they receive step increases, but that office staff should be granted a pay increase.

Treasurer Firkus asked Attorney Hebert if there are any legal issues in granting a cost of living increase to select employees. Attorney Hebert stated that it would be acceptable to offer differing pay adjustments, but pay equity issues could be a concern. He added that the City of Forest Lake adopted a 3% cost of living adjustment for 2012. Hebert addressed the council on his view that arguing about a minor 1% or 2% pay increase is an insult to the staff, particularly to the City Administrator who has worked hard in guiding the city through the incorporation and has saved the city money in many ways. Hebert stated that by his observation, treatment of the staff by the council is awful.

Mayor Simonson suggested that each council member state their proposed pay increase and it would be decided by consensus. It was determined to increase by 1% the City Administrator and Maintenance Workers pay rates, and the remaining positions would receive a 2% increase. The Office Assistant would receive the pay increase on her one-year anniversary date (July 2012). As

recommended in the September memo, the Skating Attendants and Election Judges would not receive pay rate increases.

A resolution setting the pay rates for 2012 will be brought before the council at the December 20 meeting.

LOG HOUSE LANDING

At the October 18 meeting, the council adopted a resolution to install “no parking” signs on the south side of 205th Street from the Soo Line railroad tracks to the Copas/Log House Landing boat launch, for the purpose of controlling the congestion in the area and improving safety for emergency vehicles. The signs were recently installed.

Mayor Simonson reported on phone calls regarding this issue that he has received since this decision. Simonson recommended that the Park and Recreation Committee consider a parking permit system for the landing that could generate revenue for improvements to the site. This could also cut down on the number of non-residents using the river access.

Attorney Hebert advised that the DNR and National Parks Service should be consulted on this as there may be overriding restrictions.

Administrator Hurlburt stated that a permit system was discussed by the Parks Committee and there was a negative reaction due to the complications that could arise. There are benefits to keeping it primitive so that it's not accessible by larger watercraft.

Mayor Simonson would like the permit system to be within the scope of future discussions of the Parks Committee.

MAINTENANCE SUPERINTENDENT POSITION

On Friday December 9, Administrator Hurlburt received a call from Dan Peterson that he was withdrawing his offer to accept the position of Maintenance Superintendent. Hurlburt recommended that an offer be made to the second candidate Brad LeTourneau, at an annual salary of \$65,000 and beginning PTO of 21 days. Mr. LeTourneau had stated that he requires family medical coverage, at an additional city benefit cost of approximately \$10,000.

Council was in consensus that Mr. LeTourneau is a well qualified candidate and would be quite capable in the position of Maintenance Superintendent.

Ness, seconded by Amos, moved to offer the position of Maintenance Superintendent to Brad LeTourneau at an annual salary of \$65,000 and beginning PTO of 21 days. The motion carried 5-0.

AGENDA ITEMS FOR FUTURE WORK SESSIONS

Council discussed scheduling a work session for January 10, 2012. Administrator Hurlburt stated that it is possible she will still be out on a medical leave on that date. Council members Ness and Amos recommended that the council not hold a work session. Council member Swanson brought

forth two items she would like to discuss on that date: discussion of ideas she received from staff at other cities and the discussion of guidelines for use of fire services for non-city events. Mayor Simonson suggested these are not urgent topics and could be discussed at an alternate meeting.

Simonson, seconded by Ness, moved to cancel the January 10, 2012 work session and have fire personnel at the December 20 meeting to bring forward the topic of fire services. The motion carried 5-0.

ADJOURNMENT

Ness, seconded by Amos, moved to adjourn the meeting. The motion carried 5-0.

The meeting adjourned at 9:23 p.m.

Respectfully submitted,

Brenda Eklund
Deputy Clerk